

LEGISLATURE OF NEBRASKA
NINETY-NINTH LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 334
FINAL READING

Introduced by Janssen, 15; Stuhr, 24

Read first time January 11, 2005

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections
2 13-202, 13-204, and 13-208, Reissue Revised Statutes of
3 Nebraska, and sections 13-206 and 13-207, Revised
4 Statutes Supplement, 2004; to change tax credit
5 provisions of the Community Development Assistance Act;
6 to provide an operative date; and to repeal the original
7 sections.
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-202, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 13-202. The Legislature hereby finds that areas of
4 chronic economic distress in the State of Nebraska are a detriment
5 to the economic well-being, health, and safety of the citizens of
6 Nebraska. The Legislature further contends that current
7 governmental solutions have not been able to completely resolve
8 certain problems such as overcrowding, unemployment, and poor
9 health and sanitary conditions in a community which lead to further
10 deterioration. Such problems cannot be remedied by the government
11 alone, but can be alleviated through a partnership between the
12 government and private enterprise. It is therefor declared to be
13 public policy in this state to encourage contributions by business
14 firms and individuals that offer and provide community and
15 neighborhood assistance and community services.

16 Sec. 2. Section 13-204, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 13-204. Any community betterment organization which
19 provides community assistance or community services in a community
20 development area may apply any time during the fiscal year to the
21 department to have one or more programs certified for tax credit
22 status as provided in sections 13-205 to 13-208. The proposal
23 shall set forth the program to be conducted, the community
24 development area, the estimated amount to be required for
25 completion of the program or the annual estimated amount required
26 for an ongoing program, the plans for implementing the program, and
27 the amount of contributions committed or anticipated ~~from business~~
28 ~~firms~~ for such activities or services.

1 Sec. 3. Section 13-206, Revised Statutes Supplement,
2 2004, is amended to read:

3 13-206. (1) The director shall adopt and promulgate
4 rules and regulations for the approval or disapproval of the
5 program proposals submitted pursuant to section 13-205 taking into
6 account the economic need level and the geographic distribution of
7 the population of the community development area. The director
8 shall also adopt and promulgate rules and regulations concerning
9 the amount of the tax credit for which a program shall be
10 certified. The tax credits shall be available for contributions to
11 a certified program which may qualify as a charitable contribution
12 deduction on the federal income tax return filed by the business
13 ~~entity~~ firm or individual making such contribution. The decision
14 of the department to approve or disapprove all or any portion of a
15 proposal shall be in writing. If the proposal is approved, the
16 maximum tax credit allowance for the certified program shall be
17 stated along with the approval. The maximum tax credit allowance
18 approved by the department shall be final for the fiscal year in
19 which the program is certified. A copy of all decisions shall be
20 transmitted to the Tax Commissioner. A copy of all credits allowed
21 to business firms under sections 44-150 and 77-908 shall be
22 transmitted to the Director of Insurance.

23 (2) For all business firms and individuals eligible for
24 the credit allowed by section 13-207, except for insurance
25 companies paying premium and related retaliatory taxes in this
26 state pursuant to section 44-150 or 77-908, the Tax Commissioner
27 shall provide for the manner in which the credit allowed by section
28 13-207 shall be taken and the forms on which such credit shall be

1 allowed. The Tax Commissioner shall adopt and promulgate rules and
2 regulations for the method of providing tax credits. The Director
3 of Insurance shall provide for the manner in which the credit
4 allowed by section 13-207 to insurance companies paying premium and
5 related retaliatory taxes in this state pursuant to sections 44-150
6 and 77-908 shall be taken and the forms on which such credit shall
7 be allowed. The Director of Insurance shall adopt and promulgate
8 rules and regulations for the method of providing the tax credit.
9 The Tax Commissioner shall allow against any income tax due from
10 the insurance companies paying premium and related retaliatory
11 taxes in this state pursuant to section 44-150 or 77-908 a credit
12 for the credit provided by section 13-207 and allowed by the
13 Director of Insurance.

14 Sec. 4. Section 13-207, Revised Statutes Supplement,
15 2004, is amended to read:

16 13-207. (1) Any business firm or individual which plans
17 to or which has contributed to a certified program of a community
18 betterment organization may apply to the department for
19 authorization for a tax credit for the contribution to the
20 certified program in an amount up to but not exceeding the maximum
21 tax credit allowed by the department. The maximum tax credit
22 allowed by the department for each approved business firm or
23 individual shall be in an amount which does not exceed forty
24 percent of the total amount contributed by the business firm or
25 individual during its taxable year to any programs certified
26 pursuant to section 13-205. The director shall send a copy of the
27 approved application which includes the amount of the tax credit to
28 be allowed and a certification by the department that the

1 contribution has been paid as proposed by the business firm or
2 individual to the Tax Commissioner who shall grant a tax credit
3 against any tax due under sections 77-2715, 77-2734.02, and 77-3801
4 to 77-3807 and to the Director of Insurance who shall grant a tax
5 credit against any premium and related retaliatory taxes due under
6 sections 44-150 and 77-908.

7 (2) No tax credit shall be granted to any business firm
8 or individual in this state pursuant to the Community Development
9 Assistance Act for activities that are a part of its normal course
10 of business. Any tax credit balance may be carried over and
11 applied against the business firm's or individual's tax liability
12 for the next five years immediately succeeding the tax year in
13 which the credit was first allowed.

14 Sec. 5. Section 13-208, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 13-208. The total amount of tax credit granted for
17 programs approved and certified under the Community Development
18 Assistance Act by the department for any fiscal year shall not
19 exceed ~~two hundred fifty~~ three hundred fifty thousand dollars.

20 Sec. 6. This act becomes operative for tax years
21 beginning or deemed to begin on or after January 1, 2005, under the
22 Internal Revenue Code of 1986, as amended.

23 Sec. 7. Original sections 13-202, 13-204, and 13-208,
24 Reissue Revised Statutes of Nebraska, and sections 13-206 and
25 13-207, Revised Statutes Supplement, 2004, are repealed.